

The Washington City Council met in a regular session on Tuesday, September 19, 2006 at the Municipal Building at 4:30 p.m. Present were: Judy Jennette, Mayor; Darwin Woolard, Mayor Pro tem; Ed Gibson, Councilman; Richard Brooks, Councilman; Archie Jennings, Councilman; Mickey Gahagan, Councilman; James Smith, City Manager; Franz Holscher, City Attorney; and Rita A. Thompson, City Clerk.

Also present were: Carol Williams, Finance Director; Jimmy Davis, Fire Chief; Bobby Roberson, Community Development Planning Director; Keith Hardt, Electric Director; Susan Hodges, Human Resources Director; Allen Lewis, Public Works Director; and Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order and thanked everyone for coming.

Councilman Gibson delivered the invocation.

APPROVAL/AMENDMENTS TO AGENDA

Mayor Jennette requested the following amendments to the agenda:

(1) Move I.F. to II.A. with Doug Causey's appearance. Also, Chief Jimmy Davis will give a report on differences in fire rating 5 compared to 6/10.

Move I. J to VI.B. 5. changing wording to read – "Authorize – City Attorney to draw up a Resolution authorizing a lease between the City of Washington and Potter's House of Beaufort County, Inc. for the October meeting (renumbering other items consecutively)

Add V.B. Historic Preservation Commission under Appointments

Add VI.6. Schedule public hearing for consideration on a moratorium for rooftop additions located in the B-IH (Business Historic) Zoning District

Add VI.7. Award administrative contract for professional services to Holland Consulting Planners, Inc. for the Housing Development, Community Block Grant

Closed session that was 5. becomes 8. Closed Session – Under G.S. 143-318.11(a)(3) Attorney/Client Privilege

Closed Session that was 6. becomes 9. Closed Session – Under G. S. 143-318.11(a) (1) to prevent the disclosure of information that is privileged or confidential, G.S. 143-318.11(a)(3)Attorney/Client Privilege, and G. S. 143-318.11(a)(6) Personnel.

Under Item X. add Discussion of a Pre-Planning Conference (Mayor Jennette)

On motion of Councilman Jennings, seconded by Mayor Pro tem Woolard, Council unanimously approved the agenda, as amended.

APPROVAL OF MINUTES OF AUGUST 14, AND AUGUST 21, 2006

On motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously approved the minutes of August 14 and August 21, 2006, as submitted.

PRESENTATION – PROCLAMATION OF APPRECIATION TO FRED HOLSCHER

Mayor Jennette presented Fred Holscher, City Attorney, and a Proclamation of Appreciation for his services as the City Attorney for the last thirteen years, as follows:

WHEREAS, Frederick Norman Holscher (Fred) is a native of Gastonia, North Carolina; and now resides in Washington with his wife, Pat, who are members of St. Peters Episcopal Church and have two sons, a daughter and two grandchildren; and

WHEREAS, Fred attended the University of North Carolina at Chapel Hill and graduated with a degree in political science, and later in 1973 graduated from the University of North Carolina at Chapel Hill School of Law, moved to Washington and joined the law firm now known as Rodman, Holscher, Francisco & Peck, P.A., as an associate; and

WHEREAS, he became a partner the following year and now serves as President of the firm, which was established in Washington in 1914 and traces its roots to the 1870's; and

WHEREAS, Fred is and has been an active member of the Beaufort County Bar Association, Second Judicial District Bar Association, and North Carolina Bar Association, and has taught law related courses at Beaufort County Community College; and

WHEREAS, in addition to Fred's activities in the legal profession, he has served on the Salvation Army Board, Washington Board of Realtors, Board of Directors for the Washington/Beaufort County Chamber of Commerce and former President of the PTA and Washington High School Athletic Club, Washington Rotary Club and coached little league baseball; and

WHEREAS, Fred currently serves as a board member of the Eastern Region of the Friends of the Institute of Government in Chapel Hill, North Carolina and was elected Chairman of the Board of Directors of First South Bank in January of this year, after serving on the Board since 1985 and was Vice-Chairman the last five years; and

WHEREAS, The City of Washington selected his firm as its legal counsel in 1993 and Fred has served as the firm's principal contact with the City for the past 13 years with enthusiasm and dedication; and

WHEREAS, Fred has been involved in the City when many decisions affecting the Community have taken place, and he demonstrated wisdom and creativity, all tempered with common sense and an engaging personality; and

WHEREAS, The Washington City Council expresses its sincere gratitude and appreciation for his services, time, energy and talents to the City of Washington as he steps down as the City Attorney.

This, the 19th day of September, 2006.

s/Judy M. Jennette, Mayor

**PRESENTATION: BROWN LIBRARY STAFF, TRUSTEES MEMBERS, AND
FRIENDS OF LIBRARY MEMBERS (THE SMARTEST CARD)**

Ms. Roseanne Fennell, Library Program Assistant with of Brown Library, made a presentation of "The Smartest Card" campaign sponsored by the State Library. In an effort to increase the number of library card holders and to promote the use of the Library, there will be a contest during the month of September 2006 at Brown Library. Eligible contestants include first time library card holders, those renewing library cards, and existing card holders. Staff is encouraged to sign up as many new registered borrowers as possible. The names of all eligible contestants will be placed in a bucket for the drawing that will be held on Monday, October 2, 2006.

Ms. Fennell explained the two drawings:

- (1) The winner for (first-time or renewal) will receive a "goody" basket and the subject selection of his/her choice of a book to be given in his/her honor by

the Library and placed in the collection. The staff member who registered the winning card will also have a book given in their honor.

- (2) Existing card holders who are in good standing with the Library will be able to enter their names for a drawing each and every time they check out books (presenting his/her library card each time). The winner will also receive a book given in his/her honor to be added to the collection.

Mayor Jennette thanked Ms. Fennell for her presentation.

APPROVAL OF CONSENT AGENDA

- A. Adopt – Administrative Guidelines and Program Policies for the City of Washington's FY06 CDBG Housing Development Grant #05-C-1490

SECTION XIII

RESOLUTION BY THE CITY COUNCIL

OF THE CITY OF WASHINGTON

ADOPTING POLICY PROHIBITING EXCESS FORCE

WHEREAS, the City of Washington has applied for funds under the 2006 Small Cities Community Development Block Grant Program – Housing Development Category and;

WHEREAS, the City of Washington has received notification from the North Carolina Division of community Assistance that the City has received 2006 CDBG funding; and

WHEREAS, the North Carolina Department of Commerce requires the City to adopt a policy concerning Section 519 of Public Law 101-1454 (1990 HUD Appropriations Act) in order to receive CDBG funding;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Washington that the following policy is hereby adopted;

The City of Washington prohibits the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in on-violent civil rights demonstrations.

The City of Washington will enforce applicable state and local laws against physical barring entrance to or exit from a facility or location, which is the subject of such non-violent civil rights demonstration within its jurisdiction.

Adopted this 19th day of September, 2006 by the Washington City Council.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON,CMC
CITY CLERK

- B. Adopt – Resolution fixing date for public hearing on non-contiguous satellite annexation of PS Jones School

**RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION
OF ANNEXATION PURSUANT TO G.S. 160A-58.2**

WHEREAS, a petition requesting annexation of the non-contiguous area described herein has been received; and

WHEREAS, the City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the City Clerk as the sufficiency of the petition has been made;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Washington, North Carolina that:

Section 1. A public hearing on the question of annexation of the non-contiguous area described herein will be held at the City Council Chambers on the 2nd floor of the municipal building located at 102 East 2nd Street at 6:00 p.m. on Monday, October 9, 2006.

Section 2. The area proposed for annexation is described as follows:

LYING AND BEING in Washington Township, Beaufort County, North Carolina, and more particularly described as follows:

Beginning at an iron pipe set located on the Western edge of the right of way of SR 1422 (Market Street Extension), said point of beginning being located as follows: From a point located at the centerline of the intersection of SR 1422 (Market Street Extension) and SR 1515 (Gallberry Road), running thence along said centerline of SR 1422 North 20 degrees 49' 40" West 1,092.88 feet to a PK nail set located in the centerline of SR 1422, running thence South 68 degrees 40' 51" West 50.00 feet to the point of beginning. From said point of beginning so located thence South 68 degrees 40' 51" West 430.63 feet to an iron pipe set, thence South 62 degrees 36' 20" West 1,255.40 feet to an iron pipe set, thence North 79 degrees 17' 25" West 22.41 feet to an iron pipe set, thence along the line of Warren, reference Deed Book 960, Page 669, Beaufort County Registry, South 61 degrees 38' 51" West 830.88 feet to an iron pipe set in an existing iron, thence along the line of Alligood, reference Deed Book 95E, Page 257, Beaufort County Registry, South 64 degrees 17' 01" West 839.05 feet to an existing rebar, thence along the line of Funkhouser, reference Deed Book 1267, Page 951, Beaufort County Registry, North 25 degrees 44' 01" West 1,013.04 feet to an existing rebar set located in the centerline of Cherry's Run, thence along the centerline of Cherry's Run, those string bearing course and distances as more particularly set forth in that survey map referred to below, denominated L1 through L27, said string bearing distances being incorporated herein, to an existing iron pipe, the corner of the Grantor, reference Deed Book 1421, Page 848, Beaufort County Registry, thence along the line of Grantor South 21 degrees 06' 20" East 626.09 feet to an existing iron pipe, the corner of Martha M. Stancil, reference Deed Book 1421, Page 843, Beaufort County Registry, thence North 68 degrees 55' 06" East 394.50 feet to the point of beginning, and containing 88.671 acres, more or less, and being that identical property described in that map of survey entitled "Beaufort County Board of Education", dated January 5, 2005, said survey being recorded in Plat Cabinet G, Slide 48-1, Beaufort County Registry, reference is to which is hereby made for a more complete and adequate description hereof.

Section 3. Notice of the public hearing shall be published once in the Washington Daily News, a newspaper having general circulation in the City of Washington, at least ten (10) days prior to the date of the public hearing.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

Annexation #06-A-04
BC Schools/PS Jones

- C. Declare – Snorkel surplus and approve transfer of ownership to Chocowinity
- D. Adopt – Budget Ordinance Amendment – Vision 100 Grant (#36237.38.6.1) from NCDOT-Aviation for Warren Field Airport security fencing (\$166,667)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2006-2007**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

General Fund

Section 1. That the Estimated Revenues in the General Fund be increased in the amount of \$16,667 in the account Utility Franchise Taxes, account number 10-00-3324-3100.

Section 2. The account number 10-00-4400-3700, Transfer to Airport Fund, Miscellaneous Non-Departmental portion of the General Fund appropriations budget be increased in the amount of \$16,667 to provide funds for grant match.

Airport Fund

Section 3. That the Estimated Revenues in the Airport Fund be increased in the amount of \$150,000 in the account Grant #36237.38.6.1 account number 37-90-3490-0004.

Section 4. That the Estimated Revenues in the Airport Fund be increased in the amount of \$16,667 in the account Transfer from General Fund account number 37-90-3370-1000.

Section 5. That account number 37-90-4530-4510, Vision 100 Grant #36237.38.6.1 portion of the Airport Fund appropriations budget be increased in the amount of \$166,667 to provide funds for security fencing project.

Section 6. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 7. This ordinance shall become effective upon its adoption.

Adopted this the 19th day of September, 2006

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

- E. Adopt – Budget Ordinance Amendment in the General Fund for transfer to Electric Fund (\$3,000)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2006-2007**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the General Fund be increased in the amount of \$3,000 in the account Interest Moss Property, account number 10-10-3831-0001.

Section 2. The account number 10-00-4400-3500, Transfer to Electric Fund, Miscellaneous Non-Departmental portion of the General Fund appropriations budget be increased in the amount of \$3,000 to provide funds for transfer.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 19th day of September, 2006

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

- F. Moved to II.A. Adopt – Budget Ordinance Amendment – Second Fire Station Property (\$247,475)
- G. Adopt – Budget Ordinance Amendment – for Purchase Orders Outstanding from FY 05-06 (\$3,464,039)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2006-2007**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

General Fund

Section 1. That the Estimated Revenues in the General Fund be increased in the amount of \$1,198,714 in the account Fund Balance Appropriated, account number 10-00-3991-9910.

Section 2. That account number 10-00-4110-0400, Professional Services, City Council portion of the General Fund appropriations budget be increased in the amount of \$7,485 to provide funds for purchase order #34526 outstanding from FY 05/06.

Section 3. That the following accounts in the City Manager portion of the General Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #36135 and #36121 outstanding from FY 05/06.

10-00-4120-1400	Employee Development	\$1,200
10-00-4120-5700	Moving Expenses	<u>8,248</u>
		\$9,448

Section 4. That account number 10-00-4125-0400, Professional Services, Human Resources portion of the General Fund appropriations budget be increased in the amount of \$6,353 to provide funds for purchase order #36199 outstanding from FY 05/06.

Section 5. That the following accounts in the Finance Director portion of the General Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #36039, #36131, #36209, #36178 and #36192 outstanding from FY 05/06.

10-00-4130-0400	Professional Services	\$5,713
10-00-4130-1200	Printing & Publishing	330
10-00-4130-1400	Employee Development	1,000
10-00-4130-4500	Program Enhancement	<u>8,000</u>
		\$15,043

Section 6. That account number 10-00-4132-7402, Installment Purchase, Information Systems portion of the General Fund appropriations budget be increased in the amount of \$8,998 to provide funds for purchase order #36204, #36207 and #36216 outstanding from FY 05/06.

Section 7. That account number 10-00-4400-5701, Miscellaneous Expense, Non-Departmental portion of the General Fund appropriations budget be increased in the amount of \$500 to provide funds for purchase order #35436 outstanding from FY 05/06.

Section 8. That the following accounts in the Economic Development portion of the General Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #35935 and #35934 outstanding from FY 05/06.

10-00-4650-4508	Flanders Filters	\$63,518
10-00-4650-4509	Shell Building #2	<u>22,500</u>
		\$86,018

Section 9. That the following accounts in the Police Department portion of the General Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #35622, #36008 and #35853 outstanding from FY 05/06.

10-10-4310-0400	Professional Services	\$7,549
10-10-4310-1200	Printing & Publishing	65
10-10-4310-1400	Employee Development	698
10-10-4310-3300	Departmental Supplies	<u>90</u>
		\$8,402

Section 10. That account number 10-10-4340-9800, Volunteer Expenses, Fire Department portion of the General Fund appropriations budget be increased in the amount of \$684 to provide funds for purchase order #35474 outstanding from FY 05/06.

Section 11. That the following accounts in the Planning Department portion of the General Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #35430, #35750, #35891, #36116, #35981 and #32561.

10-10-4910-0400	Professional Services	\$50
10-10-4910-1200	Printing & Publishing	319
10-10-4910-3300	Departmental Supplies	1,112

10-10-4910-4504	Contract-Cama Land Use Plan	2,701
10-10-4910-4507	Contract-Comprehensive Plan	<u>3,935</u>
		\$8,117

Section 12. That account number 10-20-4250-7401, Installment Purchase, Equipment Services portion of the General Fund appropriations budget be increased in the amount of \$75,000 to provide funds for purchase order #36095 outstanding from FY 05/06.

Section 13. That the following accounts in the Street Department portion of the General Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #33186, #33194 and #36095 outstanding from FY 05/06.

10-20-4510-1100	Telephone	\$700
10-20-4510-1200	Printing & Publishing	114
10-20-4510-7401	Installment Purchases	<u>75,000</u>
		\$75,814

Section 14. That the following accounts in the Powell Bill portion of the General Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #33170, #35543, #36114, #30943, #33176, #35442, #35635 and #35867 outstanding from FY 05/06.

10-20-4511-4500	Street Paving	\$323,601
10-20-4511-4501	Subdivision Paving	6,500
10-20-4511-4503	Market Street Sidewalk	47,546
10-20-4511-5600	Materials	<u>19,690</u>
		\$397,337

Section 15. That account number 10-30-4700-1100, Telephone, Public Works Director portion of the General Fund appropriations budget be increased in the amount of \$1,250 to provide funds for purchase order #33186 outstanding from FY 05/06.

Section 16. That account number 10-00-4400-3800, Transfer to Solid Waste Fund, Miscellaneous Non-Departmental portion of the General Fund appropriations budget be increased in the amount of \$6,100 to provide funds for purchase order #36215 outstanding from FY 05/06.

Section 17. That the following accounts in the Library Department portion of the General Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #35522, #36172, #34060, #36196, #31162, #36006 and #36095 outstanding from FY 05/06.

10-40-6110-0401	Professional Services	\$3,000
10-40-6110-1500	M/R Building	1,045
10-40-6110-5600	Materials	919
10-40-6110-5601	Memorial Materials	35
10-40-6110-7400	Equipment Purchases	3,500
10-40-6110-7401	Installment Purchases	<u>87,802</u>
		\$96,301

Section 18. That account number 10-40-6120-0400, Professional Services, Recreation Administration portion of the General Fund appropriations budget be increased in the amount of \$25,200 to provide funds for purchase order #35395 outstanding from FY 05/06.

Section 19. That the following accounts in the Recreation Events & Facilities portion of the General Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #36140 and #36182 outstanding from FY 05/06.

10-40-6121-3300	Departmental Supplies	\$115
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10-40-6121-3401	Youth Materials Programs	<u>572</u>
		\$687

Section 20. That account number 10-40-6122-4504, Beaufort County Contribution, Athletics & Programs portion of the General Fund appropriations budget be increased in the amount of \$249 to provide funds for purchase order #36183 outstanding from FY 05/06.

Section 21. That account number 10-40-6123-4500, Mid-East Grant, Senior Programs portion of the General Fund appropriations budget be increased in the amount of \$1,343 to provide funds for purchase order #35889, #36032 and #36033 outstanding from FY 05/06.

Section 22. That account number 10-40-6124-3600, Uniforms, Waterfront Docks portion of the General Fund appropriations budget be increased in the amount of \$64 to provide funds for purchase order #36140 outstanding from FY 05/06.

Section 23. That account number 10-40-6125-1600, Maintenance/Repair Equipment, Civic Center portion of the General Fund appropriations budget be increased in the amount of \$200 to provide funds for purchase order #36200 outstanding from FY 05/06.

Section 24. That account number 10-40-6126-1500, Maintenance/Repair Building, Aquatic Center portion of the General Fund appropriations budget be increased in the amount of \$1,000 to provide funds for purchase order #36157 outstanding from FY 05/06.

Section 25. That the following accounts in the Parks & Grounds portion of the General Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #36164, #36152, #34745, #36167, #36108, #34493, #36109, #35366, #36094, #36108, #36153, and #36095 outstanding from FY 05/06.

10-40-6130-1501	M/R Grounds	\$300
10-40-6130-1502	M/R Parks	125
10-40-6130-4501	Contract Services Grounds	655
10-40-6130-4502	Contract Services Pedestrian Grant	9,932
10-40-6130-7300	Other Improvements	5,750
10-40-6130-7301	BEEBE Park Improvements	109,309
10-40-6130-7400	Capital Outlay	62,876
10-40-6130-7401	Installment Purchases	<u>75,000</u>
		\$263,947

Section 26. That the following accounts in the Outside Agencies portion of the General Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #36109 and #36219 outstanding from FY 05/06.

10-40-6170-9114	BEEBE Park	\$485
10-40-6170-9115	Turnage Theater Utilities	<u>102,689</u>
		\$103,174

Water Fund

Section 27. That the Estimated Revenues in the Water Fund be increased in the amount of \$10,379 in the account Fund Balance Appropriated account number 30-90-3991-9910.

Section 28. That the following accounts in the Water Treatment Plant portion of the Water Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #36147, #36061, #34856, #35017 and #36078 for outstanding purchase orders outstanding from FY 05/06.

30-90-8100-1400	Employee Development	\$10
30-90-8100-1600	M/R Equipment	22
30-90-8100-4501	Contract Lab Service	571
30-90-8100-7401	Installment Note Purchase	<u>9,752</u>
		\$10,355

Section 29. That account number 30-90-8180-5600, Materials, Water Construction portion of the Water Fund appropriations budget be increased in the amount of \$24 to provide funds for purchase order #35181 outstanding from FY 05/06.

Sewer Fund

Section 30. That the Estimated Revenues in the Sewer Fund be increased in the amount of \$183,924 in the account Fund Balance Appropriated account number 32-90-3991-9910.

Section 31. That the following accounts in the Sewer Maintenance portion of the Sewer Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #33572 and #35578 outstanding from FY 05/06.

32-90-8200-1100	Telephone	\$750
32-90-8200-4500	Contract Services	<u>30,502</u>
		\$31,252

Section 32. That account number 32-90-8210-4505, Contract Sewer Rehab., Sewer Construction portion of the Sewer Fund appropriations budget be increased in the amount of \$650 to provide funds for purchase order #32021 outstanding from FY 05/06.

Section 33. That account number 32-90-8220-1600, Maintenance/Repair Plant Equipment, Sewer Treatment Plant portion of the Sewer Fund appropriations budget be increased in the amount of \$496 to provide funds for purchase order #35378, #35686 and #35947 outstanding from FY 05/06.

Section 34. That the following accounts in the Sewer Lift Stations portion of the Sewer Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #35015, #35314, #35175 and #36075 outstanding from FY 05/06.

32-90-8230-0400	Professional Services	\$6,479
32-90-8230-7400	Capital Outlay	17,962
32-90-8230-7401	Installment Note Purchase	<u>127,085</u>
		\$151,526

Storm Water Management

Section 35. That the Estimated Revenues in the Storm Water Management Fund be increased in the amount of \$24,235 in the account Fund Balance Appropriated account number 34-90-3991-9910.

Section 36. That account number 34-90-5710-0400, Professional Services, Administration portion of the Storm Water Management appropriations budget be increased in the amount of \$24,235 to provide funds for purchase order #30577 outstanding from FY 05/06.

Electric Fund

Section 37. That the Estimated Revenues in the Electric Fund be increased in the amount of \$1,693,324 in the account Fund Balance Appropriated account number 35-90-3991-9910.

Section 38. That account number 35-90-7220-0400, Professional Services, Electric Director portion of the Electric Fund appropriations budget be increased in the

amount of \$2,515 to provide funds for purchase order #35780 and #35845 outstanding from FY 05/06.

Section 39. That the following accounts in the Utility Communications portion of the Electric Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #35725 and #34778 outstanding from FY 05/06.

35-90-7230-1100	Telephone	\$592
35-90-7230-1600	M/R Equipment	<u>763</u>
		\$1,355

Section 40. That the following accounts in the Customer Service portion of the Electric Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #35555, #35557, #35558, #35559 and #35495 outstanding from FY 05/06.

35-90-7240-0400	Professional Services	\$976
35-90-7240-1201	Marketing	9,496
35-90-7240-3300	Departmental Supplies	<u>183</u>
		\$10,655

Section 41. That the following accounts in the Electric Meter portion of the Electric Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #35634, #35640, #35668 and #36217 outstanding from FY 05/06.

35-90-7250-7400	Capital Outlay	\$3,771
35-90-7250-7401	Installment Note	<u>53,271</u>
		\$57,042

Section 42. That the following accounts in the Electric Substations portion of the Electric Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #35332, #33743, #35263, #36063, #36122, #36150, #35191, #35846, #35866, #35184, #32623, #34515, #35039, #35047, #35048, #35050, #35052, #35053, #35158, #36048, #36123 and #36217 outstanding from FY 05/06.

35-90-8370-0400	Professional Services	\$5,000
35-90-8370-1600	M/R Equipment	20,860
35-90-8370-1603	M/R Substation	13,789
35-90-8370-4500	Contract Services	2,000
35-90-8370-7400	Capital Outlay	3,787
35-90-8370-7401	Installment Note	<u>1,559,821</u>
		\$1,605,257

Section 43. That the following accounts in the Power Line Maintenance portion of the Electric Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #35406 and #36054 outstanding from FY 05/06.

35-90-8380-3300	Departmental Supplies	\$419
35-90-8380-5604	Material Transformers	<u>1,107</u>
		\$1,526

Section 44. That the following accounts in the Power Line Construction portion of the Electric Fund appropriations budget be increased in the amounts shown to provide funds for purchase order #36096, #32623, #34890 and #36217 outstanding from FY 05/06.

35-90-8390-4502	Contract Services	\$12,039
35-90-8390-7401	Installment Note	<u>2,935</u>
		\$14,974

Airport Fund

Section 45. That the Estimated Revenues in the Airport Fund be increased in the amounts and accounts listed as follows:

37-90-3490-0000	Grant #36237.38.3.1	\$96,076
37-90-3490-0001	Grant #36244.51.5.2	205,255
37-90-3991.9910	Fund Balance Appropriated	<u>33,482</u>
		\$334,813

Section 46. That the following appropriation accounts in the Airport Fund be increased as follows:

37-90-4530-4506	Grant #38.3.1	\$106,751
37-90-4530-4507	Grant #51.5.2	<u>228,062</u>
		\$334,813

Solid Waste Fund

Section 47. That the Estimated Revenues in the Solid Waste Fund be increased in the amount of \$6,100 in the account Transfer from General Fund account number 38-90-3970-1000.

Section 48. That account number 38-90-4710-7401, Installment Purchases portion of the Solid Waste Fund appropriations budget be increased in the amount of \$6,100 to provide funds for purchase order #35474 outstanding from FY 05/06.

UDAG Fund

Section 49. That the Estimated Revenues in the UDAG Fund be increased in the amount of \$12,550 in the account Fund Balance Appropriated account number 67-60-3991-9910.

Section 50. That account number 67-60-8280-9700, Façade Grants portion of the UDAG Fund appropriations budget be increased in the amount of \$12,550 to provide funds for purchase order #34910, #34911, #34943, #34944, #34945, #34948, #34950 and #34951 outstanding from FY 05/06.

Section 51 All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 52 This ordinance shall become effective upon its adoption.

Adopted this the 19th day of September, 2006

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

H. Award – Contract for 2006-2007 Street Improvements and Resurfacing (\$332,279.80)

- I. Adopt – Budget Ordinance Amendment for chipping vegetative storm debris from Tropical Storm Ernesto (\$6,000)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2006-2007**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That account number 10-00-9990-9900, Contingency portion of the General Fund appropriations budget be decreased in the amount of \$6,000 to provide funds for Transfer to Solid Waste Fund.

Section 2. The account number 10-00-4400-3800, Transfer to Solid Waste Fund, Miscellaneous Non-Departmental portion of the General Fund appropriations budget be increased in the amount of \$6,000 to provide funds for debris cleanup.

Section 3. That the Estimated Revenues in the Solid Waste Fund be increased in the amount of \$6,000 in the account Transfer from General Fund, account number 38-90-3970-1000.

Section 4. That account number 38-90-4710-4500, Contract Services, portion of the Solid Waste Fund appropriations budget be increased in the amount of \$6,000 to provide funds for debris cleanup.

Section 5. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 6. This ordinance shall become effective upon its adoption.

Adopted this the 19th day of September, 2006

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

- J. Moved to V.I.B. 5.Authorize - City Manager to execute a lease between the City of Washington and Potter's House of Beaufort County, Inc.

**APPEARANCE – DOUG CAUSEY – USDA LOAN“LETTER OF CONDITIONS”
FOR SECOND FIRE STATION**

And

**ADOPT BUDGET ORDINANCE – SECOND FIRE STATION PROPERTY
(\$247,475)**

Mr. Doug Causey, Area Specialist with USDA, appeared before Council to discuss the amendment to the City's original Letter of Conditions dated August 8, 2005. The second paragraph is amended to read as follows: "This letter is not to be considered as loan approval or as a representation as to the availability of funds. The docket may be completed on the basis of a USDA Rural Development Community Facility loan not to exceed \$1,530,000.00 and a subsequent loan not to exceed \$1,337,000.00." All other conditions of the original letter of conditions remain the same. If the conditions set forth in the letter of condition are not met within the original timeframe of eighteen months

(February 8, 2007), the Rural Development reserves the right to discontinue the processing of the application.

Mayor Jennette stated that once we go down this road, the City is committed to building this station and will be looking at a tax increase to pay for this.

Councilman Jennings stated that the two loan requests combined have a limit that are “not to exceed”, but can the City use less than that and would it be acceptable with the terms of this agreement? Mr. Causey answered not necessarily because they have the feasibility report, they already have the scope of the project and plans and specifications approved and are waiting for the Department of Insurance’s approval. The motion is pretty set, but that doesn’t mean we can’t come back and resubmit. Councilman Jennings stated that we have gone from \$1.2 million, and now to \$2.8 million. Mr. Causey stated that there is an undesignated cash balance of \$1 million that you earmarked for Public Safety use in the future. That’s how we were able to make the loan because there was substantial balance on hand at that particular time.

Councilman Gibson stated that chances are slim that we would run under the \$2.8 million. Mr. Causey stated that if there is any money left, that money would not be pulled out of the authorized loan amount. Councilman Jennings stated that his thought is what flexibility exists around modifying our plan downward if we felt we needed to. Just the sheer weight on the City borrowing that amount of money, which amounts to 100% budget item increase over where we started. Mr. Causey stated they have already shown flexibility from the first feasibility they did. USDA gave the City eighteen months at that time and even with this, an extension will have to be requested. USDA is always in hopes that when they get in this position tonight, that those questions would have already been answered. Councilman Jennings stated they have to some extent, but when they talked to the architects, they estimated the range of building costs from \$120 a square foot to \$200+ a square foot. Mr. Causey stated the first feasibility was really optimistic and he believes the feasibility the City now has is more in line with what construction costs are, keeping in mind how the economy has changed especially affecting concrete and steel pipes costs.

Councilman Gibson asked if the final figure was say, \$3.2, could we resubmit the application for more money? Mr. Causey stated that when bids are opened, they would have to take into consideration what the bids are compared to what was budgeted. If the bids come in higher, they would have to do some value engineering with the architect, possibly downsize the project, or come back for another request.

Mayor Jennette referred to the letter from the State Fire Marshall’s Office about leaving the insurance rating at Class 5 and asked for a comparison between a Class 5 rating and a Class 6/10 rating? Jimmy Davis, Fire Chief, stated that the Class 6 is for the corporate limits of Washington where everybody in Washington now has the benefit of a 5, that would go to a 6. Everything over 5 miles from the Fire Station would go to a Class 10, which is basically unprotected.

Fire Chief Davis passed out information which compared the costs of a Class 5 rating and a Class 6/10 rating. He gave an example of a building that was insured for \$1 million, the premium on a Class 5 would be \$10,701.00 annually; a Class 10 would be \$15,757.00 (70% increase). On a \$100,000 house (and contents), \$435.00 for a Class 5 and \$779.00 for a Class 10, or a 56% increase. Basically, we are talking about Flanders Filters and the Industrial Park. The Skill Center, Brooks Boat Works and Egret Boats would be in the five mile range. Manfred Alligood’s Trailer Park and Mr. Olive College building and mall area would be out.

Councilman Gahagan asked if we are required by statute to offer the same fire protection to everybody in the City? Mr. Holscher answered yes, similar services.

Councilman Jennings asked if we are using the loan money to purchase the land? Mr. Smith answered not initially, we are using the 2 cents Public Safety Capital Reserve fund; when the project closes, we can be reimbursed.

Councilman Jennings asked how much further west is the new station from the existing station? Chief Davis answered two miles. Councilman Gahagan asked if this new location covers to the County line? Chief Davis stated that the five mile from the 15th Street site was at or right at the County line.

On motion of Councilman Gahagan, seconded by Councilman Brooks, Council unanimously adopted Resolution accepting the conditions set forth in the “Letter of Conditions” dated September 19, 2006 and authorized the Mayor to sign the document.

RESOLUTION OF THE WASHINGTON CITY COUNCIL

Resolution Number _____

BE IT RESOLVED:

That the Washington City Council does hereby accept the conditions set forth in the amended Letter of Conditions dated September 19, 2006, and Form RD 1942-47, Loan Resolution, dated September 19, 2006, and;

That the Washington City Council approves as shown on Form RD 442-7, Operating Budget, the proposed operating budget for the loan request; and,

That the Mayor and City Clerk be authorized to execute all forms necessary to obtain a loan from the USDA Rural Development including, but not limited to the following forms;

Form RD 1942-46	Letter of Intent To Meet conditions
Form RD 1942-47	Loan Resolution (Public Bodies)
Form RD 442-7	Operating Budget
Form RD 1940-1	Request for Obligation of Funds
Form RD 1910-11	Applicant Certification Federal Collection Policies For Consumer Or Commercial Debts
Form AD-1048	Certification concerning Debarment, etc. Primary Covered Transactions
RD Instruction 1940-Q	Certification For contracts, Grants and Loans

That the Washington City Council elects to have the interest rate charged by Rural Development to be the lower of the rate in effect at either the time of loan approval or loan closing; and,

That if the interest rate charged by Rural Development should be changed between this date and the date of actual loan approval, the Mayor and City Clerk be authorized to execute new forms reflecting the current interest rate and revised payments as required by Rural Development; and,

That this resolution becomes part of the official minutes of the Board meeting held on September 19, 2006

Motion made by Councilman Gahagan

and seconded by Councilman Brooks

to adopt the foregoing resolution. Motion passing 5 to 0.

Adopted this 19th day of September, 2006.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

Councilman Jennings asked if Council decided this was too heavy a burden, but if we had alternative funding, we could leave this on the table? Councilman Jennings stated that he wants to make sure that what we are doing tonight doesn't entirely chart our course...it does with USDA. But if we chose another path, we could set this aside and move down another path. Mr. Causey stated that one of the reasons they are here is because of their ability to give the City a long term loan with a low interest rate. Mr. Causey stated that when Mr. Rumley was here, we envisioned keeping the loan amount down because of budget concerns, and that was the reason we had the undesignated money earmarked so when it came in over budget, the City could pay anything over the \$1,530,000 directly out of the balance on hand.

Chief Davis stated the original cost started out at \$1.5 million, however, it did not include any funding for the land, or infrastructure inside the building. The thought process was if USDA could help us get the building, that we would do the other stuff out of City funds. When the architect was here several weeks ago, it was at that point in time that we decided if we were going to ask USDA to fund it, we would ask them to fund it totally, which accounts for the high increase. The only real increase is the cost of construction which is about \$800,000 and the price of the land. Councilman Gahagan stated that none of us expected the project to be as expensive as it is estimated on being.

On motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously adopted a budget ordinance amendment in the amount of \$247,475 for the purchase of property for the Second Fire Station Project.

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2006-2007**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the Public Safety Capital Reserve Fund be increased in the amount of \$247,475 in the account Fund Balance Appropriated account number 15-10-3991-9910.

Section 2. The account number 15-10-4340-6300, Transfer to Second Fire Station Capital Project Fund portion of the Public Safety Capital Reserve Fund appropriations budget be increased in the amount of \$247,475 to provide funds for land acquisition.

Section 3. That the Estimated Revenues in the Second Fire Station Capital Project Fund be increased in the amount of \$247,475 in the account Transfer from Public Safety Capital Reserve Fund account number 63-10-3434-1500.

Section 4. That account number 63-10-4340-7100, Land Acquisition portion of the Second Fire Station Capital Project Fund appropriations budget be increased in the amount of \$247,475 to provide funds for purchase of land.

Section 5. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 6. This ordinance shall become effective upon its adoption.

Adopted this the 19th day of September, 2006

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

**APPEARANCE TOM THOMPSON & AL KLEMM – ECONOMIC
DEVELOPMENT**

Mr. Al Klemm gave a power point presentation on Beaufort County EDC's 2006 Annual Report. Highlights of the report included:

Jobs added	274 employees
Total 2002 to 2006	674 employees
Grant Dollars	\$3,357,890
Committee of 100 members	550
Members added in 20006	80

Mayor Jennette thanked Mr. Klemm for his report.

Mr. Tom Thompson, Director of EDC, stated that they do have some additional grant possibilities and at least one more expansion in the Industrial Park that could add more jobs. He stated that EDA likes Industrial Parks and Industrial Parks infrastructure.

BRENDA MCDONALD – DISCUSSION OF UTILITIES PAYMENT

Ms. Brenda McDonald appeared before Council to discuss utility bill payments. She stated she has had services with Tideland, Progress Energy, and in Pitt County and their services will work with customers in paying their utility bills, and Washington will not. She stated her bill was \$300 that she paid last Wednesday and when she got home she had another one for \$300. She doesn't understand why it is so high and why Washington Utilities will not work with people to help lower it or make some arrangements in payments to pay it. She stated you could be \$5.00 or \$.15 short and they will cut you off.

Ms. Josette Cruz stated she spoke at the last meeting regarding utility payments. She stated she has spoken to Tideland, Greenville, Heidi Smith in Belhaven about their proposals and they have reasonable payment plans. She proposed to the City (1) reasonable payment options and (2) energy workshops. She suggested the City have someone educate and motivate the public. She stated she had people sign a petition. Mayor Jennette told Ms. Cruz she had some good suggestions.

Ms. Cruz stated that the City helped her after coming before the Council, but it took coming before the Council to get help. The City set her up on a payment plan. She stated that Belhaven has a payment plan, but in Washington you have to have A+ credit to have budget billing.

Ms. McDonald stated that the City cut a guy off she knew because he lacked \$3.00 from paying his bill. Mayor Jennette stated that she finds it hard to believe that we would cut someone's lights off because of a few dollars.

Mayor Pro tem Woolard told them that they cannot blame staff because they are only doing their job, following through on what the Council votes on. Policies are made for everyone.

Councilman Gahagan questioned how our policy compares to others? Mr. Hardt stated there is more to it than not paying the bill.

Councilman Jennings suggested staff contact Ms. McDonald the same way they did Ms. Cruz. He also stated that this is not the forum for this type of discussion. Councilman Gibson agreed, that there should be a grievance committee. Mr. Smith stated there are about 300 people we work with every month and we have to have a consistent policy. Also, people don't understand that the bill is for water, sewer, electric, stormwater and garbage, its not just electric. He stated we could raise enough money to create a fund, but that may make it more difficult for everyone else. The Housing Authority is also working with us; its just a problem with people on a limited income.

Councilman Jennings asked if staff would contact other utilities and find out if the details around the way they handle things to see if it warrants some sort of revisit to the way we have instructed staff to handle it.

Mayor Jennette stated that it sounds like we need to look at the process. Councilman Gahagan stated that Washington Utilities is a business and we have to be competitive with other electric companies, and it sounds like we are more lenient than others. We have to remember this is a business. Councilman Jennings suggested that we provide a forum for those customers who aren't happy with the policy, not guaranteeing any outcome, but a more confidential comfortable place to vet their concerns.

Councilman Gibson stated that the Council doesn't need to get into it, that this is evolving into something a little bit obsessive, that this has shades of recreation. Councilman Gahagan stated we have cut to the bone as far as responsibilities with our City employees and he does not know how much more we can put on them before we have to start spending some money to do it.

Mayor Jennette stated that we can look at this in the Pre-Planning session in the fall. She asked Keith to contact some companies and see what their grievance policy is and bring it back at the next meeting.

Council took a three minute recess and reconvened at 6:10 p.m.

**PUBLIC HEARING –ADOPT – ORDINANCE TO AMEND CHAPTER 27,
SECTION 27-43, TABLE OF USES, OF THE CODE OF ORDINANCES OF THE
CITY OF WASHINGTON BY ADDING DEMOLITION DEBRIS LANDFILLS,
MINOR, AS A SPECIAL USE IN THE AIRPORT**

Mr. John Tate, a member of the Planning Board, stated that the landfill on Minute Man Lane is nearing capacity and the Public Works Department is requesting a zoning change to allow a portion of the Airport property (2) acres to be used as a Demolition Debris Landfill to replace that landfill. All adjoining landowners were notified but no one responded. The Planning Board voted favorably in amending the Code to allow the rezoning.

Allen Lewis, Public Works Director, showed an aerial photograph of the area that is located behind the trees and will not be seen from the road.

Mayor Jennette asked Mr. Lewis to get a letter from the FAA that it is okay, that she wants to make sure it is okay in case someone is watching.

Mayor Jennette stated this is a public hearing.

Mr. Tate stated that Granville Lilley had written a letter preferring it be further away from his property and closer to the Airport, however no one attended the meeting. Mr. Lewis stated that Frankie Buck took the Lilley's to visit the site, and saw no problem with it.

Mayor Jennette closed the public hearing.

On motion of Councilman Gahagan, seconded by Councilman Gibson, Council unanimously accepted the recommendation of the Planning Board and approved the Ordinance to amend Chapter 27, Article VI, Section 27-43, Table of Uses, by adding Demolition Debris Landfills, Minor, as a Special Use in the Airport (AP) Zoning District, pending FAA approval.

Councilman Gahagan amended the motion to leave off “pending FAA approval” and include “and requested staff to confirm with the FAA that they don’t have a problem with the rezoning.” Councilman Gibson seconded the amended motion, which carried unanimously.

**An Ordinance To Amend Chapter 27, Zoning, Article VI.,
Section 27-43, of the City of Washington Code**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That Chapter 27, Article VI., Section 27-43, Table of Uses, be amended
By adding Demolition Debris Landfills, Minor, as a Special Use in the
Airport (AP) Zoning District.

Section 2. This Ordinance shall become effective upon its adoption.

Section 3. All ordinance or parts in conflict herein are repealed.

Adopted this the 19th day of September, 2006.

s/Judy Jennette
JUDY JENNETTE
MAYOR

ATTEST:

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

**DISCUSS ORDINANCE TO AMEND THE CITY’S ZONING
ORDINANCE TO ESTABLISH DEMOLITION BY NEGLECT
REGULATIONS FOR THE LOCAL HISTORIC DISTRICT AND SET
PUBLIC HEARING**

Mr. John Rodman, Planner, stated that there have been so many properties neglected that the City would like to establish a demolition by neglect regulations for the Historic District. Our historic district is one of the most important assets the City has and it needs to be preserved. He asked Council to hold a public hearing next month on the ordinance.

Mr. Michael Overton, a member of the Historic Preservation Commission, spoke in favor of the proposed ordinance because so many properties are being demolished that could have been repaired. These properties cannot be replaced, and will help the tax base. He stated it is critical for the Council to back the Historic Preservation Commission on this.

Councilman Gibson asked about the people who cannot afford to update their property. Mr. Rodman stated that there is a process in place whereby the person would have a public hearing and would provide (1) estimated cost of repairs (2) assessed value (3) paid taxes for two years (4) proof of gross income (5) financial resources, cash flow or lack thereof for the past two years.

Mr. Holscher stated that this started in 2003. The original draft was written by John Rodman and he has made some revisions. Mr. Holscher reviewed the proposed ordinance with some recommended changes which would make the process move more quickly. He pointed out that several sample ordinances were looked at. This ordinance sets out that the initial public hearing is held by the Historic Commission, not the Planning Department. If the Commission issues an order to the owners to repair, that would constitute a Certificate of Appropriateness to go ahead and be issued. Another point is if an order is issued to the owner to repair and they refuse to do it, the City is in the position of paying their Attorney to force them to do that. If they do prove a hardship, it is incumbent upon the Commission to help them devise a plan to address the situation through the state, property tax credits, eminent domain, etc. He stated that the Commission will take on a more intensive role.

Mr. Rodman stated that five houses have been identified at this point, which is about the number they will consider one at the time.

Ms. Dee Congleton spoke in favor of the idea, saying that the City has lost too many houses to neglect. It would improve the economy and motivates tourists. The City has had over 500 structures that date back to the 19th century and over 100 have been demolished.

Ms. Kathy Almond also spoke in favor of the ordinance. Ms. Almond moved here from Greensboro and fell in love with the historic home district. She stated she carries visitors around to look around town and they also fall in love with its beauty.

Mayor Pro tem Woolard expressed his concern about couches on front porches. Bobby Roberson will get a copy of Wilson's ordinance who had this problem.

This will be brought back to the Council at the Monday, October 9th Council meeting for a public hearing.

**RECEIVE – COMMENTS FROM CITIZENS ABOUT THE COMMUNITY
DEVELOPMENT BLOCK GRANT PROGRAMS AND THE
AVAILABILITY OF FUNDS THROUGH THE DIVISION OF
COMMUNITY ASSISTANCE IN THEIR COMMUNITY
REVITALIZATION CATEGORY**

Mr. Reid Whitesell, Vice President of Holland Consulting Planning, appeared before Council to discuss the Community Development Block Grant Programs and the availability of funds through the Division of Community Assistance. Two public hearings are required to apply for the grants. The first public hearing is tonight to accept comments. The second public hearing will be to discuss the actual target area for this project.

Mr. Whitesell stated that the application will consist of one or two target areas, identifying the needs and comprehensively addressing those needs. The City applied in 2005 and was not successful, one of the reasons being that one of the target areas (west of Respass, 6th and 7th Streets) were not competitive in terms of a lot of needs, only housing and water needs were addressed. A proposed area needs to be identified that needs sewer, water, streets, flood plain management, etc. The area around Hudnell and Haven Street have been looked at. Applications for revitalization are due February 1st. Revitalization categories is \$3.5 million every year, and the limit has been increased to \$850,000. the City can apply up to \$1,000,000 if it is one target area and is an innovative activity in that target area. Mr. Whitesell's recommended that the City's local commitment, to make this competitive, be in the \$75,000 to \$90,000 range. He recommended applying for a \$650,000 to a \$800,000 project, having innovative activity in it already. If you go for the \$1 million you will have to reserve 10% of whatever that amount is in the General Fund and it cannot be touched for two years. He stated there will probably only be four or five projects funded east of Highway 95. The money would be received around May of 2007. The issue is where do you want the benefit of the program to go.

Mr. Whitesell stated they will look at it and probably be back in January for the second public hearing.

Mayor Jennette called for the public hearing.

There were no comments from the audience.

Mayor Jennette closed the public hearing.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

AUTHORIZE – GRANT APPLICATION UNDER THE N.C. RURAL ECONOMIC DEVELOPMENT CENTER IN THE AMOUNT OF \$70,000 UNDER THEIR CATEGORY OF “BUILDING REUSE AND RESTORATION” FOR VACANT STRUCTURES

Mr. Don Harte, with Oakview Capital, LLC, developer of the Fowle Building, appeared before Council to request authorization for a grant application under the N. C. Rural Economic Development Center in the amount of \$70,000 under their category of Building Reuse and Restoration for vacant structures. He stated they would be developing 10 condominiums and one commercial space with 1200 square feet facing West Main Street. The business going into the commercial space will generate seven jobs within a twenty-four month period.

Mayor Jennette pointed out that the State Historic Commission will immediately have purview over this project.

On motion of Councilman Gahagan, seconded by Councilman Gibson, Council unanimously authorized the Mayor to sign the grant application in the amount of \$70,000, provided the developers furnish the City of Washington a check in the amount of \$2,000 for the City’s cash match, to be submitted to the N.C. Rural Economic Development Center under the grant “Building Reuse and Restoration” category for the renovation of the building located at 189 West Main Street.

ROOFTOP MORATORIUM

Mayor Jennette stated that a public hearing will be scheduled for next month on the moratorium for rooftops.

Mr. Michael Overton stated that the addition to the rooftop of the Fowle Building was approved; however, the guidelines were very vague. The developers could have done whatever they wanted to do but they worked with the Historic Preservation Commission. He stated that his concern is that a lot of the buildings downtown are being bought and there needs to be some guidelines on rooftops. Allison Platt is coming in to help develop guidelines, and recommended that a moratorium be put in place until those guidelines are developed.

Councilman Jennings stated that one of those guidelines addresses the height. Mr. Overton stated that there is not “enough” in the guidelines.

Mr. Holscher pointed out that you have to have specific findings when you pass the moratorium. Revision of the HPC guidelines have to be approved also.

HOLLAND CONTRACT

On motion of Councilman Jennings, seconded by Councilman Gibson, Council unanimously accepted the recommendation of the Planning staff and awarded the Administrative Service contract to Holland Consulting Planner, Inc. for the Housing

Development, Community Development Block Grant in an amount not to exceed \$18,750.00.

**CLOSED SESSSION – UNDER G.S. 143-318.11(a)(1)CONFIDENTIAL
INFORMATION (3) ATTORNEY/CLIENT PRIVILEGE AND (6) PERSONNEL**

On motion of Mayor Pro tem Woolard, seconded by Councilman Jennings, Council unanimously agreed to go into closed session under G.S. 143-318.11(a)(1) Confidential Information, G.S. 143-318.11(a)(3) Attorney Client Privilege, G.S. 143-318.11(a)(4)Economic Development , G.S. 143-318.11(a)(6) Personnel at 7:25 p.m.

At 8:30 p.m., on motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously agreed to come out of closed session.

**DISCUSSION – REQUEST FROM THE PATRICK COCHRAN
MEMORIAL SKATEPARK COMMITTEE (\$3,500)**

On motion of Councilman Gahagan, seconded by Councilman Jennings, Council unanimously authorized the City Finance Director to establish a revenue and expenditure account to accommodate fundraising for the Patrick Cochran Memorial Skate park.

**ADOPT – RESOLUTION AUTHORIZING THE MAYOR TO
ENTER INTO A CONTRACT WITH THE N.C. DIVISION
OF COASTAL MANAGEMENT**

On motion of Mayor Pro tem Woolard, seconded by Councilman Jennings, Council unanimously adopted a Resolution and authorized the Mayor to enter into a contract with the Division of Coastal Management for a grant in the amount of \$100,000.00 to improve the Tar River Nature Park Access, Phase II.

**RESOLUTION AUTHORIZING LOCAL GOVERNMENT EXECUTION
OF A PUBLIC ACCESS GRANT CONTRACT**

**MINUTES OF A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF
WASHINGTON, NORTH CAROLINA.**

A regular meeting of the City Council of the City of Washington was held in the Municipal Building, the regular meeting place, on September 19, 2006. There were five (5) Council Members present.

The City Council was advised that a proposed contract between the City of Washington and the North Carolina Department of Environment and Natural Resources for the provision of Public Access grant funds was presented for the project known as Tar River Nature Park Access, Phase II and discussed; that, under the terms of said contract, the City of Washington will pay a total of \$16,667.00 as its local share of the total project costs.

**BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF
WASHINGTON**

1. That the contract between the City of Washington and the North Carolina Department of Environment and Natural Resources be and the same is hereby approved.
2. That the Mayor and the Clerk be and they are hereby authorized to sign and execute the said contract for and on behalf of the City of Washington and forward the same to the North Carolina Department of Environment and Natural Resources.
3. That upon final execution, a copy of said contract be filed with the minutes. Upon motion of Mayor Pro tem Woolard, seconded by Councilman Jennings, said resolution was passed unanimously.

I, Rita A. Thompson, Clerk of the City of Washington, North Carolina do hereby certify that the foregoing is a true copy of so much of the proceedings of the City Council of the City of Washington at a meeting held on September 19, 2006 as related to the contract between the City of Washington and the North Carolina Department of Environment and Natural Resources, relative to the public access project for the City of Washington, North Carolina.

WITNESS my hand and the corporate seal of the said City of Washington, North Carolina this the 19th day of September, 2006.

s/Rita A. Thompson
RITA A. THOMPSON, CMC
CITY CLERK

**AUTHORIZE – THE SALE OF LOTS 14F & 14G IN THE
BEAUFORT COUNTY INDUSTRIAL PARK TO DONALD
M. WOOD II, TRUST #2 (PAGE 171)**

The Industrial Park land is owned jointly by Beaufort County and the City of Washington, with the City of Washington owning a 45% interest.

On motion of Councilman Gahagan, seconded by Councilman Jennings, Council unanimously authorized the sale of Lots 14F and 14G by the County in the Beaufort County Industrial Park to Donald M. Wood II, Trust #2 at a price of \$15,000 per acre.

On motion of Councilman Gahagan, seconded by Councilman Jennings, Council unanimously extended a grant to Donald M. Wood II in the amount of \$5,000 per acre acquired from the County split between the City and County 45%-55% respectively.

**AUTHORIZE - CITY MANAGER TO EXECUTE A LEASE BETWEEN
THE CITY OF WASHINGTON AND POTTER'S HOUSE OF BEAUFORT
COUNTY, INC.**

On motion of Councilman Jennings, seconded by Councilman Brooks, Council unanimously excused Mayor Pro tem Woolard from participating in this agenda item.

Mr. Holscher stated that a notice has to be published expressing the City's intent to consider a Resolution authorizing the City Manager to execute a lease between the City of Washington and Potter's House of Beaufort County, Inc. for property located 401 N. Harvey Street.

On motion of Councilman Brooks, seconded by Councilman Gibson, Council unanimously authorized the City Manager to execute a lease between the City of Washington and Potter's House of Beaufort County, Inc. for property located 401 N. Harvey Street.

APPOINTMENT – HISTORIC PRESERVATION COMMISSION

On motion of Councilman Jennings, seconded by Councilman Gibson, Council unanimously appointed Kathleen Simpson to the Historic Preservation Commission to fill the expired term of Shane Trainer, term to expire June 30, 2009.

BROWN LIBRARY

Mr. Smith stated that the consultant will be submitting their report on the Brown Library to the Brown Library Board of Trustees next month. The City Council will get a copy of the report. There is one issue the consultant has been asked to resolve.

911

Mr. Holscher will get Mr. Smith a memo on the 911.

RECREATION ISSUE

Councilman Gahagan stated that the Committee is making progress and he will report back to Council.

PRE-PLANNING CONFERENCE

Mayor Jennette stated that she would like to have a one day pre-planning conference in November to get guidance before going into the budget process. October 30th was suggested.

MONTHLY REPORTS

Mayor Jennette asked Council to review the monthly reports and decide if they should continue, or any part of them.

RADIO COMMUNICATIONS AT NEW P.S. JONES MIDDLE SCHOOL

Mr. Smith stated that there are no radio communications between the school and the Police Department and we do need communications because of the School Resource Officers. Discussions have been on-going with Mr. Moss and Mr. Smith.

CONTINUE MEETING

At 9:00 p.m., on motion of Councilman Jennings, seconded by Councilman Gibson, Council unanimously continued the meeting until Monday, September 25, 2006 at 6:00 p.m. in the Council Chambers at the Municipal Building to go into closed session to handle the Manager's evaluation.

**Rita A. Thompson, CMC
City Clerk**